



## **NEWS**

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### **Rep. Wally Herger Floor Statement** (as prepared)

#### **H.R. 3688, United States-Peru Trade Promotion Agreement Implementing Legislation**

**(watch it here)**

I rise today to express my strong support for H.R. 3688, the “United States-Peru Trade Promotion Agreement Implementation Act.” The PTPA will eliminate or significantly reduce Peruvian tariffs and address other trade barriers. The PTPA also is an important means to promote democracy and stability in Peru and will further strengthen our relations with this strong partner of ours.

Today, nearly six months after reaching the May 10<sup>th</sup> bipartisan trade deal, we finally consider the PTPA on the House floor. I am pleased for our farmers, ranchers, businesses, workers, and consumers that this long-promised day is now a reality. The PTPA will provide significant reciprocal market access benefits for these constituent groups.

The International Trade Commission estimates the PTPA will increase U.S. exports to Peru by \$1.1 billion, but U.S. imports from Peru will only increase by less than half that or \$439 million. The ITC also estimates the PTPA will add \$2.1 billion per year to the U.S. Gross Domestic Product.

According to the Office of the U.S. Trade Representative, the PTPA’s many benefits include the following:

- 80% of U.S. exports of consumer and industrial goods will be duty-free immediately, with all remaining tariffs eliminated within 10 years;
- More than two-thirds of U.S. farm exports to Peru will become duty-free immediately, including beef, wheat, soybeans, tree nuts such as almonds, and various fruits and vegetables such as peaches;
- U.S. services firms will have substantial market access across Peru’s services sectors, with very few exceptions;
- Almost all U.S. exports of information technology products will be duty-free immediately; and
- There will be important protections for U.S. investors, intellectual property rights, worker rights, and the environment.

*(more)*

In my home state of California, the PTPA will offer tremendous market opportunities for our exporters. In 2006, California's farmers and businesses exported roughly \$180 million in goods to Peru, including computers and electronics, machinery, metal products, and agricultural products. The elimination of tariffs and other trade barriers will help support the nearly 20 percent of manufacturing jobs and roughly 135,000 agriculture-related jobs in California that depend on exports.

The PTPA also will lead to a more substantial and reciprocal trading relationship between Peru and the United States. The current Andean trade preferences given by the United States to Peru have been important to its economic development and stability, but they provide little benefit to U.S. exporters. Today, 97 percent of Peru's exports to the United States are already duty-free, but only 2.8 percent of Peru's tariff lines are duty-free for U.S. exporters. The PTPA will level this uneven playing field.

Given the importance of the PTPA, as well as the pending FTAs with Panama and Colombia, I was pleased to participate in a recent bipartisan fact-finding trip to the region, led by U.S. Commerce Secretary Carlos Gutierrez. This trip underscored to me that the PTPA will move our economic relationship to a new level and help make us even closer strategic allies.

I want to close by reminding my colleagues that our work is not done today. The May 10<sup>th</sup> bipartisan trade deal was designed to pave the way for a new bipartisan approach to trade policy and consideration of all four pending FTAs, not just the PTPA. In fact, the May 10<sup>th</sup> deal amended all four pending FTAs, not just the PTPA.

I urge the Majority to now act on the commitments they made with the May 10<sup>th</sup> deal and move the three pending FTAs with Colombia, Panama, and Korea. We must not let this unique moment pass us by, especially when the EU, China, and other countries are strengthening their trade ties in Latin America and Asia and threaten to pull ahead.